

**MTAC Workgroup 114**  
**Service Standards and Measurement for Market-Dominant Products**  
***First-Class Mail Subgroup***  
**June 26, 2007 Telecon Meeting Minutes**

**Special Services Standards**

The subgroup reviewed the status of developing service standard recommendations for the Special Services assigned to the First-Class Mail subgroup, with the following updates.

- ***Certificate of Mailing.*** John Sexton, Ken Metroff, Jody Berenblatt and Pam Kalvaitis volunteered to research and provide some draft recommendations for review.
- ***Money Orders.*** Jody Berenblatt and Dan Emens volunteered to check with Treasury folks and discuss issues around money orders internally with their companies. One issue noted is that turning the Money Order into money, for financial institutions, may be an area where standards are needed. Jim Callow, OCA/PRC, had previously volunteered to assist as needed with writing up draft recommendations.
- ***Certified/Registered Mail.*** The group noted that law departments tend to use these services, and the mail pieces generally go through mail centers. Dan Emens and Jody Berenblatt volunteered to touch base with those groups internally to get input. Mr. Emens noted that he has reached out to all his internal managers on the issue of service standards for Special Services and is awaiting feedback after an internal meeting scheduled next week.
- ***Business Reply Mail (BRM).*** Ms. Berenblatt, FCM subgroup industry co-chair, noted that Courtesy Reply Mail (CRM) also should be included as it is used largely by remittance mailers. Lex Litton volunteered to draft recommendations for CRM. Ms. Berenblatt noted she has sent an e-mail to Barry Elliott, Time, and will follow-up with him for input. Pam Kalvaitis and Ken Metroff also volunteered to help with drafting recommendations. Ms. Berenblatt also will contact the Bradford Exchange for input.
- ***Post Office Box/Caller Service.*** Chris Oronzio, First-Class Mail subgroup USPS co-chair, will follow up in attempting to quantify Caller Service volumes, to the extent possible. Ms. Berenblatt suggested that obtaining any info on the magnitude of the volumes (whether it includes Firm hold-outs and Caller Service) would be helpful. Mr. Litton volunteered to work with Pratt Shah, USPS, to obtain volume data as well. Ms. Berenblatt noted that Mr. Shah has worked on implementing a monitoring system, so that's why he should be involved.

Mr. Callow, OCA/PRC, previously had suggested that Caller Service has the same box-up time issue as Post Office boxes. Mr. Emens and Ms. Berenblatt both are querying their internal lockbox managers for input. When Mr. Litton has draft language available, the group will re-circulate the recommendations with lock box contacts internally. Mr. Callow had prepared draft recommendations on the Post Office Box up-time issues, which Ms. Berenblatt suggested could be more concise.

**Non-Reciprocal 3-Digit ZIPs**

The subgroup next discussed the issue of 3-digit origin/destination ZIP code pairs in the existing FCM service standards where the standards are not reciprocal (e.g., overnight in one direction but 2-day in the opposite direction between the same 3-digit pair). Bill McComb, Netflix, had prepared a spreadsheet that shows there are about 1,200 3-digit ZIP pairs where the standard is overnight in one direction but 2-day in the other direction. He did not do an analysis of instances where the non-reciprocal relationship is 2-day vs. 3-day, etc. Mr. McComb expressed concern that there are as many as 1,200 non-reciprocal 3-digit ZIP code pairs in the existing standards. He explained that his company is trying to reach customers in one-day and have returns back in one day, and planning for location of distribution hubs, drop ships, transportation, etc. is all built around that model. Having non-reciprocal service standard pairs adds complexity, he noted.

Kathy Siviter, full workgroup industry co-chair, asked if any trends analysis had been done to see if there is any geographic or other pattern, and Mr. McComb said it appears these instances do not have any geographic concentration and include rural as well as large city combinations. Mr. Litton said that the remittance industry sees the same issue, but finds it more tolerable because in general the standard is better going to a city than the other direction, which works well for remittance payment returns. He noted that there are bizarre instances, however, which don't seem to make sense. E. C. Nix, DST Output, said he knew there were instances of non-reciprocal 3-digit ZIP pairs in the existing standards, but is surprised there are this many.

Mr. Oronzio said the existing standards are largely based on business rules, one of which is that within an SCF, overnight standards generally apply, but outside that time and volume are involved in the calculation. He said he also was surprised by the number, and hopes that the USPS' Standards Review can shed more light on the issue. He suggested that when the business rules are re-applied in that process, the subgroup should review any potential changes.

Ms. Siviter said that the USPS group doing the Standards Review wants to discuss the non-reciprocal 3-digit ZIP pairs in the existing standards, but were unable to make the meeting today. Therefore, the topic was tabled for further discussion at the next meeting.

**"Tail of the Mail" Discussion**

Barry Walsh, USPS, presented a draft write-up of recommendations that explain the "tail of the mail" proposal for FCM. He outlined the concern: what happens to FCM that does not meet the overnight, 2-day and 3-day service standard – the proposal establishes standards for that mail in terms of USPS performance goals.

The subgroup discussed the draft language. There was confusion as to why two separate charts, which seemed to duplicate some information at the Day 3 expectation. Mr. Walsh explained that the first chart depicts the service standard and the second chart depicts a consistency standard. Having them as separate charts was to illustrate the two parts of the proposal. Some subgroup members suggested that the original proposal layout was easier to understand and use. Mr. Nix also noted that the interim goal between 95 and 99 for overnight mail was taken out because it was felt that putting in too many specific goals would unnecessarily complicate measurement.

After some discussion, it was agreed that the charts would be revised. The second chart should use the percentages in the heading and days in the appropriate cells. Mr. Nix volunteered to re-work the charts, and Mr. Walsh will re-do

the tables. A short paragraph will be added on goals and the need for annual review. Pam Thompson, OCA/PRC, suggested that using 2.5 days as a goal is a bad example because it is very difficult to measure by half days.

Ms. Siviter said that a section is needed to talk about the impact on businesses from the tail of the mail. Mr. Litton volunteered to do a write-up for the remittance mail industry, and Ms. Berenblatt volunteered to reach out to more traditional direct marketers and ask for input.

### **Draft Recommendations Write Ups**

The subgroup reviewed the write-ups that have been completed to date with draft recommendations, with the following notes. Ms. Siviter explained that the subgroups are being asked to begin writing up draft recommendations on service standards in order to facilitate the consultation process between the Postal Service and Postal Regulatory Commission (PRC), which has now begun and includes monthly meetings over the next few months.

- ***Existing Standards.*** John Sexton, PSI Group, reviewed his draft recommendations that describe the existing standards. He had reviewed the subgroup meeting notes for background, started with some general statements, and then outlined the process. He acknowledged that there may be some overlap in the background with Mr. Oronzio's write up of today's standards, so that could be re-formatted. He noted that communications need to be improved, and that the survey still is an open issue so that language may need changing. The same applies to the Standards Review and some other issues.

Ms. Thompson asked what "Attachment G" is referencing, noting it is confusing. Mr. Sexton will review earlier meeting notes for a more appropriate description to be included in a re-write. Ms. Siviter agreed to review past meeting notes for any additional areas that need to be noted.

- ***Single Piece FCM.*** Jim Callow and Jim Prevost had provided draft recommendations describing today's use of single piece FCM. It was decided to meld the two pieces together and add a paragraph to tie in the needs of those mailers in terms of service standards and measurement. Ms. Berenblatt volunteered to assist as well. Ms. Berenblatt asked if anyone is looking at standards around retail lines/waiting, and Ken Richardson, OCA/PRC, said the OCA is looking at other items, but he was unsure about that one.

### **Forwarded/Returned Mail**

The USPS at the last meeting had distributed a handout with its proposed service standards recommendations for forwarded/returned mail. Mr. Sexton suggested that some work may need to be done in terms of PARS operation codes because currently in Confirm, the "start the clock" is re-set, so end-to-end piece tracking is not readily apparent. Mr. Oronzio suggested that the clock should be re-set for purposes of service performance measurement. Ms. Siviter asked if there are two different issues for discussion – what Confirm provides and what is included in service performance measurement data. Mr. Sexton and Mr. Oronzio will discuss this issue offline and re-visit it at the next meeting if appropriate.

Subgroup participants should e-mail any other suggestions or concerns with the USPS proposed forward/returns service standards.

**Non-Contiguous United States Locations**

Ms. Siviter noted that in addition to the USPS Standards Review, which hopefully will provide data on service standards and performance for the non-contiguous U.S. locations, the Periodicals subgroup also has asked a different USPS group to prepare a presentation on how Periodicals for those locations and processed/transported today. There may be some useful data for FCM from that presentation, she suggested, if there are situations where FCM travels with Periodicals. Mr. Oronzio suggested that in some cases it does and in others it does not.

The subgroup agreed that lacking any data, it still can include in its recommendations a discussion of the concerns around service standards for non-contiguous U.S. locations. There had been some concern expressed in previous meetings that if the existing service standards were changed, USPS performance could slip even more. Ms. Siviter asked for volunteers to write up a few paragraphs discussing business mailers' needs in terms of service for the non-contiguous locations. Ms. Berenblatt suggested that financial institutions are more interested in meeting regulations in terms of serving those locations than in speed of service.

Ms. Kalvaitis and Mr. Metroff will work on a draft of their business perspectives in terms of service for the non-contiguous U.S. locations. Mr. McComb said it may not be a big issue for his business because they have put locations in those areas to ensure service. Ms. Berenblatt suggested that if Hawaii was given a 10-day service standard, for example, that would negatively impact even companies like Netflix, so language that describes why retaining the existing functionality would be important.

**Service Performance Measurement**

The subgroup discussed how to proceed in terms of service performance measurement recommendations. Ms. Siviter reiterated a concept voiced by the USPS at previous meetings, that there could be a difference between what the USPS should provide for service performance measurement reporting for accountability purposes vs. what business mail users need to add value to the mail. The subgroup agreed to discuss this concept further at its next meeting, with more input from the USPS.

Ms. Siviter noted that there will be a presentation and discussion at the July 11 full workgroup meeting relative to Start the Clock – how it is defined for different products and entry points, etc. Tim Gribben, USPS Intelligent Mail, noted that there are different ways to “start the clock” for service performance measurement, and different USPS groups working on these initiatives (e.g., Seamless Acceptance, Surface Visibility, etc.). There are different proposal for Start the Clock, and some confusion, so further discussion will be helpful.

Ms. Siviter suggested that one way to proceed in terms of formulating service performance measurement recommendations would be to have each FCM subgroup participant respond to a short set of questions around their business needs in terms of measurement reporting. Ms. Berenblatt agreed that there would be value in that exercise. Ms. Siviter will send out the questions by e-mail, asking for as much response as possible prior to the next subgroup meeting.

Mr. Emens suggested that there could be models in terms of measurement that other regulated government agencies use, which the group could review (e.g., telecom, cable).

Ken John, GAO, noted that congressional hearings have been scheduled, one of which appears to deal with service standards.

### **Action Items**

The following action items are noted from today's meeting (**action items in bold represent items still pending from earlier meetings**):

1. **Task Owner:** *Jeff Lewis/Chris Oronzio, USPS*
  - a. **Mr. Oronzio will follow-up on an update at the next subgroup meeting on the CET effort and time line.**
  - b. **Mr. Oronzio will coordinate setting up a separate telecon to discuss International Mail service standards, to include appropriate participants (the USPS, interested workgroup members, the State Dept., etc.).**
  - c. **The USPS will provide a revised version of the forwarded/returned mail service standards proposal at the next meeting (to include FCM parcels, and a flow chart/table showing how the standards are applied).**
  - d. Mr. Oronzio will provide volume data relative to Caller Service, to the extent possible.
2. **Task Owner:** *Joel Thomas, NAPM*
  - a. **Joel Thomas agreed to obtain and distribute to the subgroup the pertinent data from the PRC N89-1 case concerning FCM service standards business rules and development processes.**
3. **Task Owner:** *USPS*
  - a. **The USPS agreed to perform some data analysis and review on service performance to/from areas outside the contiguous United States, such as Alaska, Hawaii, Guam and Puerto Rico, in an effort to quantify the percent of time it meets a 3-day service standards to/from those 3-digit ZIP Code areas.**
  - b. **The group asked the USPS what percent of FCM is nonmachinable, by processing category (letters/flats/parcels). The USPS will get that data for the next meeting.**
  - c. **Vanessa Martin, USPS, will provide ADI study data on damaged mail.**
  - d. **The USPS will provide additional information on Special Services at the next meeting (e.g., for Certificate of Mailing – are there activities/service beyond the point of purchase at the retail window).**

- e. Barry Walsh and E.C. Nix will re-write the draft recommendations for the existing service standards, as noted earlier in this document.

4. **Task Owner:** *Industry Subgroup Participants*

- a. **Kathy Siviter will request volume data for the non-contiguous United States areas from GrayHair Software, for the same period as their prior data on this issue.**
- b. **Industry participants that volunteered to draft recommendations on standards for Special Services will provide a draft to the co-chairs for distribution prior to the July 10 meeting.**
- c. Kathy Siviter will send out a short list of questions on service performance measurement needs to the FCM subgroup participants, responses requested by July 9 (back-up cut off of July 16).
- d. Industry participants (as assigned, see Special Services section) will provide draft recommendation write-ups on standards for Special Services assigned to the subgroup.
- e. Subgroup participants should e-mail any other suggestions or concerns with the USPS proposed forward/returns service standards.
- f. Ms. Kalvaitis, Mr. Metroff, and Mr. McComb will work on a draft of their business perspectives in terms of service for the non-contiguous U.S. locations.

**Next Meeting**

The FCM subgroup will hold its next meeting on Tuesday, July 10, from 9:00 a.m. to 3:00 p.m. at USPS Headquarters (the Full Workgroup is meeting on Wednesday, July 11 from 10:00 a.m. to 3:00 p.m.). Other future scheduled meetings (9:00 a.m. to 3:00 p.m.) include:

July 24	Telecon 2:00 - 4:00 pm	Continue final recommendations
Aug 14	9:00 am - 3:00 pm	Finalize recommendations